

2006-07 State Budget: K-12 Education

Historic Increases in Funding

- The State Budget for 2006-07 provides Proposition 98 funding of \$55.1 billion for K-12 schools and community colleges. This is an increase of \$5.1 billion above the *2005-06 Budget Act* and represents the single largest year-to-year increase in education funding in the state's history.
- Proposition 98 spending per pupil for 2006-07 rises to \$8,288, an increase of \$886, or 12 percent, compared to the *2005-06 Budget Act*.
- Total funding for K-12 schools from all sources rises to \$67.1 billion, the highest level ever.

The Governor believes that true educational reform and improved academic achievement result from leadership and ingenuity at the local level.

- That is why the 2006-07 State Budget contains a total of \$2.3 billion in new ongoing general purpose spending above levels contained in the 2005-06 state budget.
- These resources are provided as cost-of-living adjustments, deficit reduction funding, and revenue limit equalization funding.
- In addition, the budget contains \$534 million for a one-time discretionary block grant for school districts and school sites.
- Other augmentations come with few strings attached, such as \$957 million for mandate reimbursements and \$350 million for Economic Impact Aid.
- Taken together, these funds will provide local educators with the significant new flexible resources to craft specific solutions to help their students succeed.

The 2006-07 State Budget targets significant new resources to critical educational priorities that require statewide leadership and focus.

- Maintaining the state's standards-based reforms in professional development, instructional materials, testing, and accountability programs.
- Restoring programs necessary for a well-rounded education – the arts, music, and physical education.
- Making key investments in a number of critical areas.

Discretionary Funding For Schools

The 2006-07 State Budget includes the following augmentations in discretionary spending:

Revenue Limit COLA (\$1.9 billion)

- \$1.9 billion to provide a 5.92 percent COLA to revenue limit funding.

Equalization (\$350 million)

- The budget provides \$350 million for revenue limit equalization. This funding will erase approximately two-thirds of the remaining disparity in school district revenue limit funding.

Deficit Reduction (\$308.6 million)

- The budget provides \$308.6 million to completely eliminate the revenue limit deficit. This funding compensates school districts and county offices of education for reduced COLAs provided in past years.

One-Time Discretionary Block Grant (\$533.5 million)

- These funds will be allocated to school districts (\$133.4 million) and school sites (\$400.1 million) on a per-pupil basis.
- School-site grants may be used for instructional materials, classroom and laboratory supplies, arts and music equipment, PE equipment, school and classroom library materials, education technology, deferred maintenance, professional development, and efforts to close the achievement gap.
- District grants may use funds to pay for home-to-school transportation or outstanding one-time fiscal obligations, in addition to the purposes allowed for school-site grants.

Policy Initiatives

K-12 Arts and Music Block Grant (\$105 million)

- The budget provides \$105 million for the Governor's initiative to expand high quality art and music course offerings in public schools.
- Funding will be allocated to all schools serving kindergarten through grade 12.
- These funds will support standards-aligned arts and music instruction through such activities as:
 - Hiring of additional staff
 - Purchase of new materials, books, supplies, and equipment
 - Implementing or increasing staff development opportunities

K-8 Physical Education Grants (\$40 million)

- The budget includes \$40 million for physical education grants to elementary schools and middle schools.
- These ongoing grants would be allocated to 1,100 schools at \$35,000 per school as an incentive to hire additional credentialed PE teachers.
- Funds will help schools to increase the number of fully trained PE teachers and help to improve the quality of PE instruction.
- This initiative is part of the Governor's longstanding effort to promote good nutrition, health, and fitness for students.

K-12 Arts, Music, and Physical Education One-Time Grants (\$500 million)

- The budget provides \$500 million to allow schools to purchase art, music, and physical education equipment and supplies.
- These one-time grants will help K-12 schools to restore and expand the infrastructure of these essential programs.
- Grants will be allocated to school districts, charter schools, and county offices of education on an equal amount per pupil based on the number of K-12 pupils.

School Counselors for Grades 7 Through 12 (\$200 million)

- The budget provides \$200 million in ongoing Proposition 98 funding to increase the number of school counselors that serve 7th through 12th grade students.
- These funds will improve the student to counselor ratio for middle schools to 500:1 and high schools to 300:1. (Ratios currently at 486:1 for high schools and 665:1 for middle schools)
- These additional resources will ensure the availability of counselors to help students make informed about their educational and vocational options. Counselors will also assist students to stay on track to high school graduation, including passage of CAHSEE.

Targeted Preschool Initiative (\$100 million)

- The budget provides \$50 million in ongoing Proposition 98 funding to support an expansion in preschool opportunities for 4-year olds residing near low-performing schools. The Administration views this investment as the first phase of a three-year phase-in of an initiative to expand preschool opportunities to those children most in need.
- This expansion will also include quality reforms designed to promote family literacy.
- In addition, the budget provides an increase of \$50 million in one-time funds in the Child Care Facilities Revolving Fund to address facilities needs for the preschool expansion.

After-School Programs (\$550)

The budget provides \$550 million for the After-School Education and Safety Program. This amount reflects an increase of \$428 million pursuant to Proposition 49.

- These funds will support an historic expansion in after school programs.
- Funds support high quality after school activities that provide students with the opportunity to improve themselves intellectually and physically.

Career Technical Education (\$20 million)

The budget provides \$20 million for K-12 schools and the California Community Colleges to support CTE programs.

- Funding will support collaborative efforts between CTE programs in K-12 schools and community colleges.
- Funds will support the following activities:
 - Sequencing and articulation of courses between middle schools, high schools, and community colleges
 - Curriculum development
 - Course expansions

K-12 Career Technical Education Equipment and Materials Block Grant

- \$40 million in one-time funding for the purchase of career technical education equipment and materials.
- These resources will be allocated to school districts, county offices of education, and regional occupational centers/programs on an equal amount per pupil based on the number of pupils in middle and high school.
- The CCC budget also provides \$40 million for a CTE block grant for community colleges.

Credentialing Reforms

- The budget provides \$22.7 million to support teacher-credentialing reforms contained in SB 1209 (Scott). These allocations include:
 - \$11.2 million to establish a new mentoring program for teachers
 - \$6.8 million to expand and enhance the Alternative Certification Program
 - \$3 million to establish regional personnel management assistance teams to help school districts improve teacher recruitment and retention practices
 - \$1.7 million in federal funding for evaluations of the intern program, teacher induction programs, and special education credentialing process

Other Major Budget Adjustments

Mandate Payments (\$957 million)

- The budget provides \$957 million to fund mandate claims. Of this amount, \$927 million is for paying off claims from prior years.

Teacher Recruitment and Retention Block Grant (\$50 million)

- The budget provides \$50 million for a second year of funding for the Teacher Recruitment and Retention Block Grant.
- This block grant supports local strategies to recruit and retain teachers and principals in low-performing schools.

California High School Exit Exam

- The budget provides \$5.1 million in ongoing Proposition 98 funding to support two additional administrations of the CAHSEE.
- These administrations will accommodate students who attend school at non-traditional times, such as evenings and weekends, and provide students with additional opportunities to pass the examination.
- The budget provides \$69.6 million in ongoing Proposition 98 funding for the CAHSEE Supplemental Instruction Program to provide additional supplemental instruction to pupils who have failed or are at risk of failing the CAHSEE.
- In addition, the budget provides \$5.5 million for school districts to purchase individual intervention materials for students who have failed or are at risk of failing the CAHSEE. These materials will include customized, on-line tools to help students and teachers target remediation efforts

Instructional Materials, School Libraries, and Ed Tech Grants (\$100 million)

- The budget provides \$100 million in one-time funding for the purchase of standards-aligned instructional materials, school library materials, and education technology.

Mathematics Teacher Pilot Program (\$1.8 million)

- The budget provides \$1.8 million in one-time funding for a pilot program to establish essential links between higher education and secondary-level math programs.
- This pilot program will improve the level of mathematics instruction by providing high quality professional development to current teachers. In addition, the program will increase the supply of newly trained math teachers by encouraging upper division math majors to enter the teaching profession in districts most in need.

Economic Impact Aid (\$350 million)

- The budget provides an augmentation of \$350 million to the Economic Impact Aid program, bringing total funding to \$973.4 million.
- These funds support instruction for English learners and economically disadvantaged students.
- The budget also contains changes to streamline the EIA funding formula.

English Learner Best Practices Research (\$20 million)

- The budget provides \$20 million in one-time funding to support local pilots to identify best practices in teaching English-language learners.
- Research will focus on effective practices in staff development, curriculum, and instruction that promote English-language acquisition and development.
- The funding provided will support the pilot project for three years.

Professional Development for Teachers of English Learners (\$25 million)

- The budget provides \$25 million for an expansion of the Math and Reading Professional Development program to provide additional professional development for teachers of English-language learners.
- The details of the program expansion will be determined in legislation.

Fiscal Solvency (\$10 million)

\$10 million is provided to assist districts with outstanding long-term obligations for retiree health benefits to produce plans for meeting those obligations.

- The funding is also intended to reimburse county superintendents for reviewing these plans as part of the budget adoption process.
- This proposal will help promote fiscal solvency for local education agencies.

CALPADS-CSIS

The budget provides a total of \$36.4 million to support the statewide transition to the California Longitudinal Pupil Achievement Data System (CALPADS), a student-level data system. Funding is provided for the following purposes:

- The budget includes \$29.5 million to help school districts improve their management data capabilities.
- These funds are available for two years so that all districts may upgrade hardware and software to improve their ability to collect and analyze pupil data.
- This funding will help ensure data integrity and a smooth, effective transition to the new statewide longitudinal student database.

- The budget also includes: \$2.9 million over three years for California School Information Services (CSIS) to support districts in their transition to CALPADS; \$1.8 million for the Department of Education to develop and issue a request for proposals for CALPADS implementation; \$1.4 million to fund the second year of CSIS funding for districts that began participating in CSIS last year; and \$828,000 to assist districts in maintaining individual student identifiers.

Teacher Database System (\$938,000)

- \$938,000 from federal funds for development of the statewide Teacher Database System. The amount proposed would allow the Department of Education and the Commission on Teacher Credentialing to begin development of the system by issuing a request for proposals and by beginning initial data management activities necessary for successful implementation of the database.

Oral Health Assessments for Kindergartners (\$4.4 million)

- The budget provides \$4.4 million for schools to administer a new requirement that children entering Kindergarten have oral health assessments.
- This new requirement will ensure that children access needed dental care and promote good oral health.

School Gardens (\$15 million)

- The budget provides \$15 million to support the School Garden program.
- This program promotes student learning related to the environment, sciences, and health.

Successful Resolution of Education Funding Suit

The budget resolves the lawsuit regarding Proposition 98 funding. The key aspects of the settlement include:

- \$3 billion to be provided over a seven-year period
- \$300 million in one-time funding to be provided in 2007-08
- \$450 million in one-time funding to be provided in 2008-09 and annually thereafter until the full obligation is met
- K-12 funds will be targeted to low-performing schools for classroom-level activities, such as:
 - lowering class size
 - recruitment and retention of high quality teachers and principals
 - parent involvement
 - high school counselors
 - high quality professional development
 - instructional materials
- CCC funds will be provided for:
 - career technical education
 - nursing programs
 - improving transfer rates to four-year colleges